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Arizona Corporation Commission

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC'S
APPLICATION FOR APPROVAL OF THE SALE
OF ASSETS AND THE CANCELLATION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-02065A-03-0490

ERRATA TO STAFF'S CLOSING
BRIEF

On December 8, 2003 Staff of the Arizona Corporation Commission filed Staff's Closing Brief in the above-referenced matter. Attachment to Staff's Closing Brief was inadvertently omitted. Here within is Staff's Closing Brief Attachment.

RESPECTFULLY SUBMITTED this 9th day of December 2003.

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Arizona Corporation Commission
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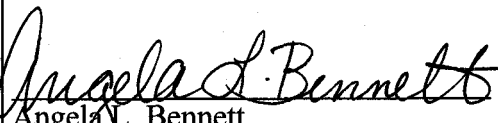
The original and thirteen (13) copies
of the foregoing were filed this
9th day of December 2003 with:

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1200 West Washington Street
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Copies of the foregoing were mailed this
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Angela L. Bennett
Secretary to David M. Ronald



Assigned to **FIN** AS PASSED BY THE SENATE

ARIZONA STATE SENATE

Phoenix, Arizona
FINAL REVISED

FACT SHEET FOR S.B. 1031

property acquisition; taxes

Purpose

Requires certain governmental entities that acquire property with a tax lien, by means other than eminent domain or condemnation, to pay the delinquent taxes on that property.

Background

Prior to this year, governmental entities that acquired property by means other than condemnation or eminent domain could extinguish an existing tax lien on the property. This procedure was validated by the Court of Appeals in **City of Eloy v. Pinal County**, 158 Ariz. 198 (App. 1988). In **Eloy**, the Court of Appeals held that a tax lien became extinguished through the doctrine of merger when the property was acquired by the city of Eloy.

In 1998, the Legislature addressed this procedure and the holding in **Eloy** by amending the statutes (Laws 1998, Chapter 93, Section 1, effective Jan. 1, 1999). Current law directs that *political subdivisions* that acquire real or personal property by any means after December 31, 1998, must pay the delinquent taxes on the property. Additionally, the tax lien on the property cannot be discharged or abated unless approved by the county board of supervisors.

S.B. 1031 expands this requirement to governmental entities (except the federal government) that may not be considered political subdivisions under current law. S.B. 1031 attempts to require every governmental entity in the state to pay the delinquent property taxes to the respective county treasurer upon acquisition of that property. Additionally, the tax lien would not be merged into the title and the lien would still be enforceable.

Provisions

1. Requires all state governmental entities that acquire real or personal property to pay the delinquent taxes on that property, including penalties and interest, to the county treasurer. (The entities specified: cities and towns, counties, school districts, the state board of directors for community colleges, any

special taxing district and the state or any state agency).

2. Requires tax liens on the property acquired by governmental entities to be enforced in the same manner as other tax liens and stipulates that the tax liens are not extinguished, abated, discharged or merged in the title through acquisition by governmental entities.

FACT SHEET S.B. 1031 - Final Revised Page

3. Makes technical and conforming changes.

4. Contains a general effective date.

Amendments Adopted by House of Representatives

1. Allows the state or its agencies that are acquiring the property to require the owner of the property to provide sufficient funds to pay the delinquent taxes.

Senate Action House Action

FIN 1/25/99 DP 6-0-1-0 WM 3/2/99 DP 9-0-0-3

3rd Read 2/11/99 27-0-3-0 3rd Read 4/12/99 56-0-4-0

Final Read 4/22/99 30-0-0-0

Signed by Governor 4/27/99

Chapter 76

Prepared by Senate Staff

April 30, 1999

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